FGL Holdings Earnings Review

Fourth Quarter 2018

February 27, 2019

Legal Disclosures

- All data in this presentation are as of December 31, 2018, unless stated otherwise.
- Caution regarding forward-looking statements:
  - This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results, events and developments to differ materially from those set forth in, or implied by, such statements. These statements are based on the beliefs and assumptions of F&G's management and the management of its subsidiaries.
  - Generally, forward-looking statements include actions, events, results, strategies and expectations and are often identifiable by use of the words "believes," "expects," "intends," "anticipates," "plans," "seeks," "estimates," "projects," "may," "will," "could," "might," "continues," "outlook" or similar expressions. Factors that could cause actual results, events and developments to differ from those set forth in, or implied by, the statements set forth herein are discussed from time to time in F&G's filings with the SEC, as well as those of its predecessor companies—FGL and CFCO. You can find these filings on the SEC's website, www.sec.gov.
  - All forward-looking statements we describe herein are qualified by these cautionary statements and we can provide no assurance that the actual results, events or developments referenced herein will occur or be realized. F&G does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results.
  - All estimates and forecasts for the effects of purchase accounting are preliminary and subject to change.
- Permission neither sought nor obtained with reference to third party sources.

F&G Overview

- Established FGL Holdings (NYSE: FG), Cayman Islands based holding company, in transformative 4Q17 acquisition of Fidelity & Guaranty Life
  - Created high-ROE company positioned for sustained growth
  - Operations in Des Moines, IA; Baltimore, MD; Hamilton, Bermuda
  - Oldest subsidiary dates to 1959
- Provide retirement & life insurance solutions for nearly 700,000 customers
  - Fixed Indexed Annuities (FIA)
  - Multi-Year Guarantee Annuities (MYGA)
  - Indexed Universal Life (IUL)
- Employ ~300 associates dedicated to serving policyholders, distribution partners and shareholders
- Distribute retail sales through independent agents serving growing retirement demographic and reinsurance sales through its Bermuda based operations

F&G: Strong & Accelerating Financial Performance

4Q18 Results	vs. 4Q 2017	FY18 vs. FY17
Total Annuity Sales **$957M**	**+54%**	**+33%**
Fixed Index Annuity Sales **$667M**	**+44%**	**+28%**
Adjusted Operating Income (AOI)[1] **$76M; $0.34 EPS**	**+105%**	**+41%**
Return on Equity **16.6%**	**+460 bps**	**+460 bps**
Average AUM (ex-PGAAP) **$22.5B**	**+6%**	**+6%**

[1]Based on 221M diluted weighted average common shares QTD 12/31/2018; see appendix for definition

Robust Earnings Provide Options for Value Creation

2018 AOI

- Delivered $257M in first full year as F&G with a ~16% ROE, +460 bps
- $1.19 per share
- Comparative returns:
  - **15%** at **$8/share**
  - **13%** at **$9/share**
  - **12%** at **$10/share**

New Business

- Mid-teen returns
- Strong distribution
- Growing consumer demand
- F&G's growth ahead of market

Share Repurchase

- 2018 earnings could be used to buy 10% to 15% of outstanding shares

M&A

- A key focus area for growth
- Significant capabilities: Sponsors and F&G management
- Deployable capital: ~$250M
- Whole companies & blocks

On-going Initiatives Driving Outperformance

Organic Growth

- F&G will continue to grow at above-market rates
- Strong demographic demand for products

Inorganic Growth

- Accretive M&A
- Flow reinsurance deals
- Share repurchase

- Experienced leadership
- Blackstone partnership is a competitive advantage
- Performance culture
- Strong sponsorship

New Initiatives

- A- rating opens up IBD & bank channels
- Leverage strategic partnerships
- $15M cost savings actions

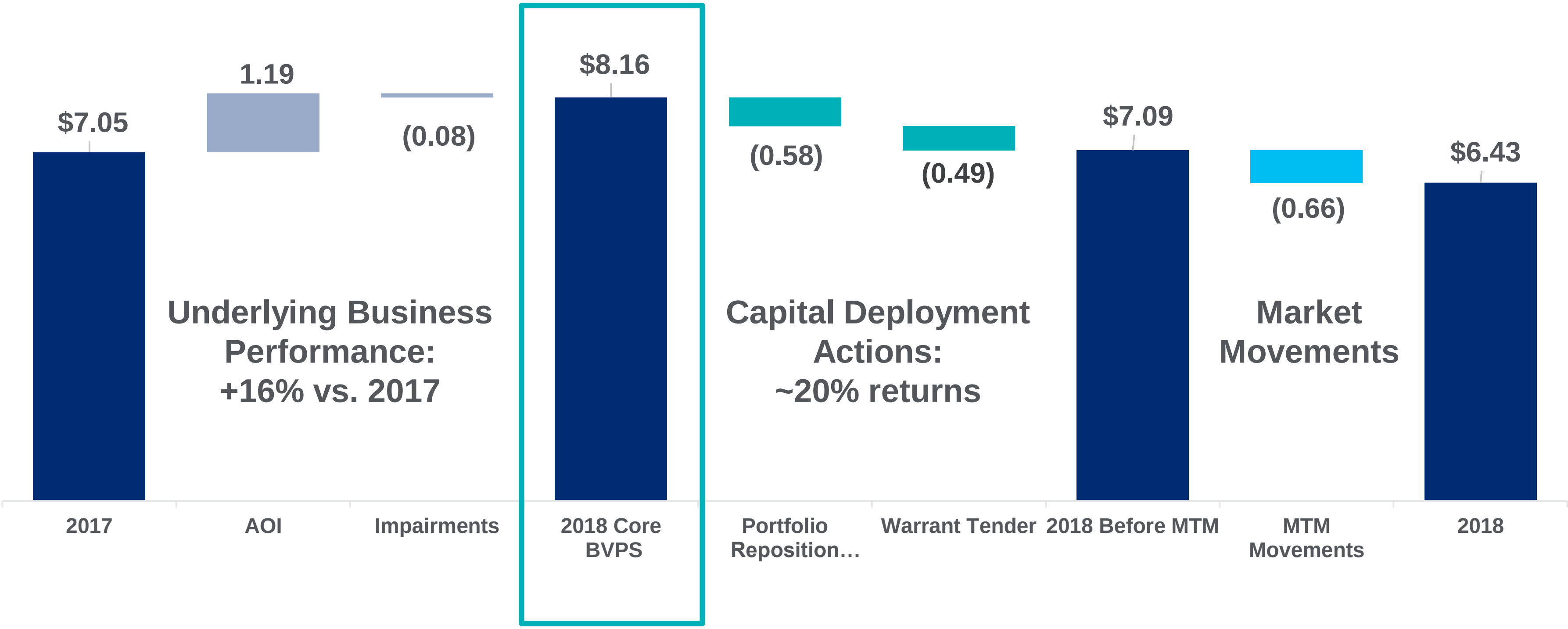
Core ROE Expansion

- On-going portfolio reposition lift
- Disciplined expense management
- Reduce tax rate

2018 Accomplishments

	2018 Investor Day Objective:	Year End Results
Retail Sales	▶ F&G annuity target growth: 10% to 12%	✓ Sales growth 33% ✓ Achieving target returns
Investments	▶ Meaningful progress on portfolio re-position ▶ Targeting Phase 1 completion by year-end 2018; Phases 2 & 3 between 2018 and 2019	✓ Phases 1 and 2 complete ✓ Alternative assets target funded ~3.5% by YE19 ✓ Run rate yield ~4.75%
Tax	▶ Plan for ~20% AOI effective tax rate in 2018 ▶ Growth in reinsurance platform to reduce ETR to ~15% over time	✓ 2018 AOI ETR 14% with tax planning strategy; 2019 at 19% - 21% ETR ✓ No downside from BEAT
Reinsurance	▶ Leverage Bermuda platform—both block M&A and flow reinsurance opportunities	✓ $185M flow in 2018 and ~$0.4B in force; active pipeline both flow and M&A ✓ Disciplined approach
Ratings	▶ Achieve A.M. Best rating of “A-” (Excellent) ▶ Pursue additional upgrades ▶ Maintain > 450% RBC	✓ Upgraded to “A-” ✓ 4Q18 RBC ~470% ✓ Deployable capital ~$250M

2018 BVPS Roll-forward

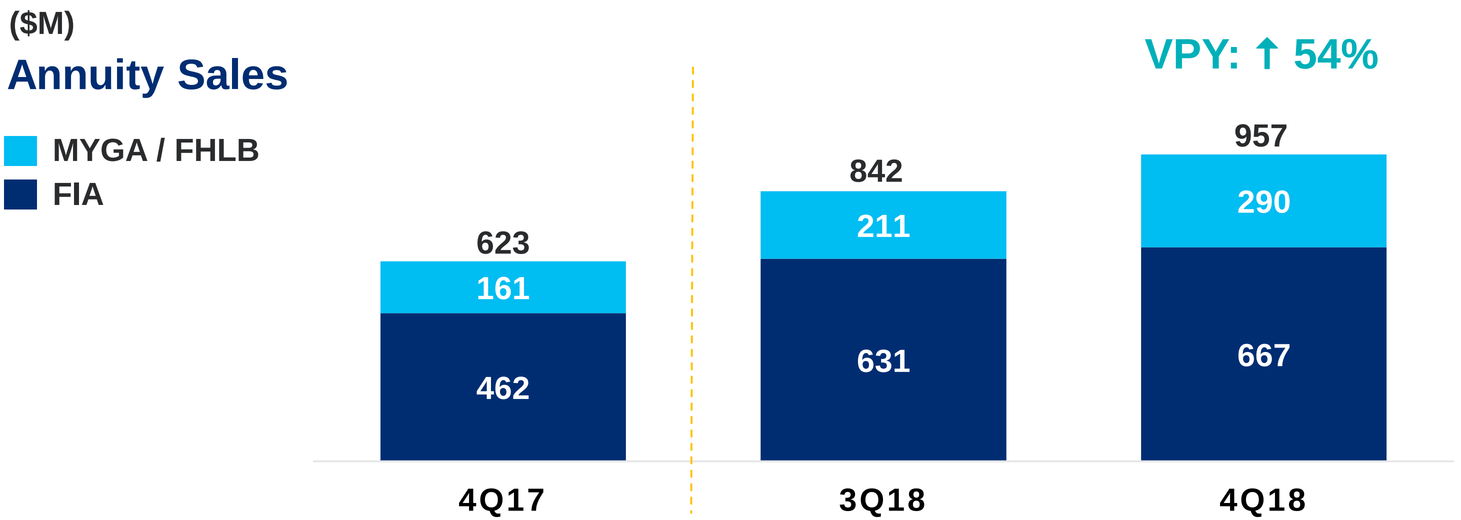


- ► Underlying business fundamentals deliver strong core BVPS growth
- ► Deploying capital to reposition / warrant tender with expected ~20% returns
- ► 4Q18 market movements point in time; already rebounding

Mark to market impacts include preferred equity investments, F&G preferred stock embedded derivative, FIA liability embedded derivative and other International subsidiary MTM movements

4Q18 Sales Trend

4Q18 sales from all products totaled $1,018M, up 60% from 4Q17 & up 14% from 3Q18



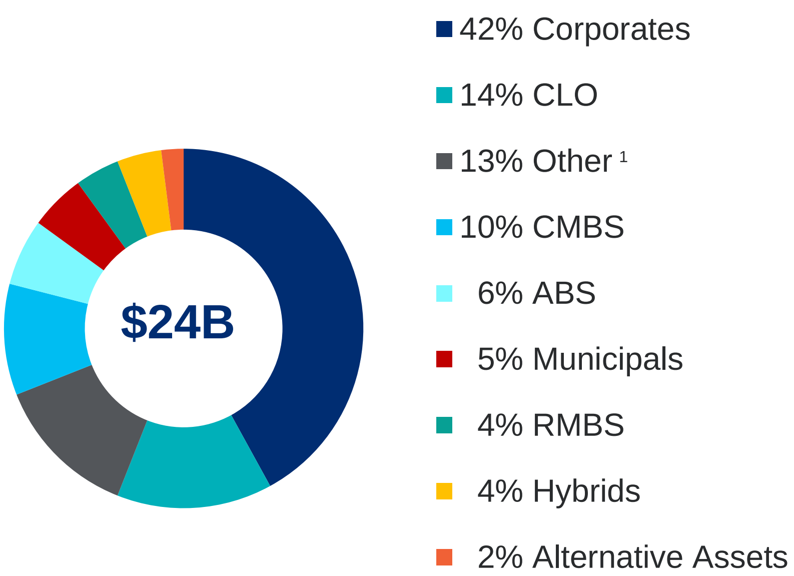
	4Q17	3Q18	4Q18
IUL[1]	7	7	8
Flow reinsurance[2]	8	45	53

- FIA sales ↑ 44% to $667M and ↑ 6% to 3Q18
- MYGA sales ↑ 15% to $185M
- Flow reinsurance deposits continue to build; $53M in 4Q18 and totaled $185M in 2018
- Achieved mid-teens returns

[1]IUL at annualized target premium—industry standard basis
[2]Flow reinsurance reflects post merger deposits beginning December 2017

4Q18 Investment Portfolio

Investment Portfolio by Asset Class



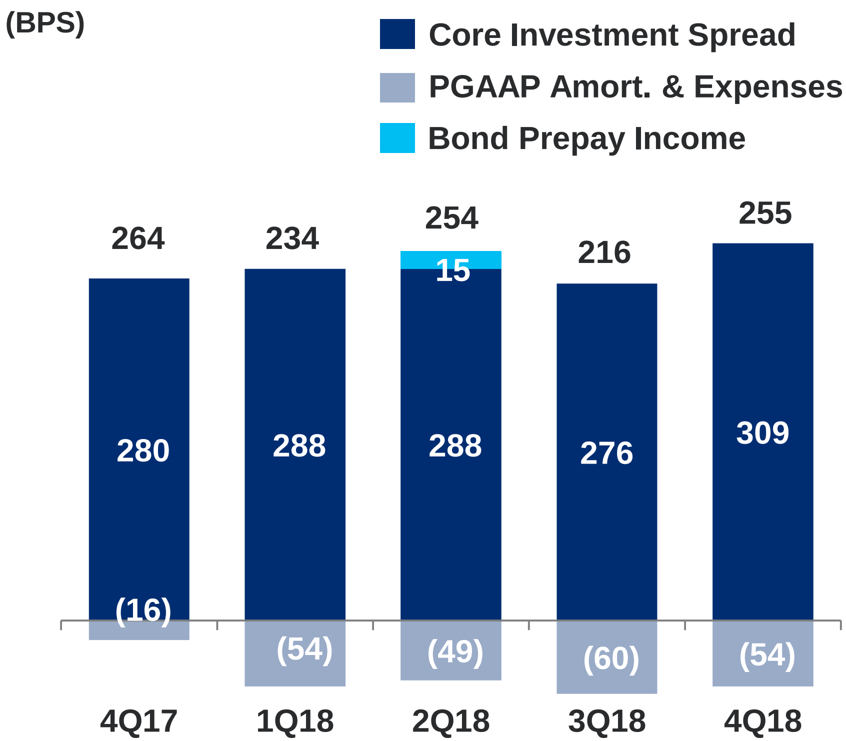
**High quality fixed income portfolio:
Average NAIC 1.5**

- Investment portfolio performing well
  - Net investment income ↑ 16% from 4Q17 (ex-GAAP premium amortization); ↑ 11% as reported
- Benefitting from Blackstone’s expertise; enhanced yield and returns within appropriate risk framework
- Ongoing portfolio reposition progress with Phase 1 & Phase 2 complete and alternative assets > 3% by end of ’19
- Maintaining a disciplined approach to portfolio risk management while optimizing yields on both in-force and new business

[1]Consists of commercial mortgage loans, derivatives, preferred stocks, policy loans and common stock

Net Investment Spread

FIAs: Quarterly Net Spread Trend

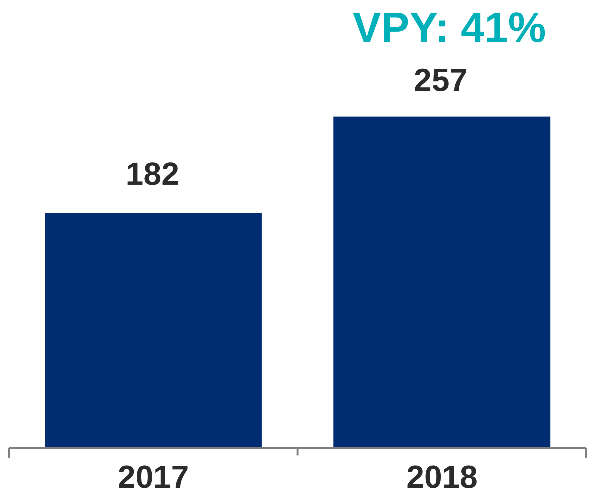


- Core spreads consistently achieving pricing targets of ~280 bps or better
- Stable interest credited and option costs
- Portfolio reposition lift expected to increase spreads throughout 2019 and 2020 as full run rate benefits are realized

Earnings Trend

AOI – Year Ended 12/31[1]

($M)



YTD Net Income	**$50**	**($16)**
AOI EPS[1]	$0.85	$1.19
AOI ROE[2]	12.0%	16.6%

Strong performance continues across all key metrics

- Over 40% year-to-date AOI growth
- AOI excluding favorable items in both periods grew 32% year-to-date
- AOI return on equity mid-teens, with a 460 bps increase in the year
- Core performance driven by on-going asset growth, expanding spread with reposition and disciplined expense management

[1]Earnings, EPS, and ROE reflect common shareholder metrics and post-merger definitions
[2]Reflects 12-month rolling average

F&G Portfolio Repositioning

F&G Portfolio Repositioning: 2018 Investment Thesis

- **Investment Thesis (1Q18 Investor Day)**
  - Credit quality & underwriting standards of the most liquid corporates became stretched
  - Flat curve did not compensate for a typical duration posture
- **Actions Implemented**
  - Reduced allocation to NAIC 1 and NAIC 2 rated corporate bonds
  - Increased allocation to floating rate/less rate sensitive securities with equivalent NAIC ratings
  - Focused on underwriting structure and complexity; leveraging Blackstone asset sourcing and underwriting capabilities to use liquidity profile wisely
- **Risk Mitigated**
  - Maintained credit discipline with low “pass rate” for investments sourced for F&G balance sheet
  - Guarded against downside risk by negotiating for stronger covenants/strengthened deal language in securitized products
  - Leveraged knowledge of residual/equity risk in analysis of liquid real estate debt securities
  - Maintained tight asset liability duration match

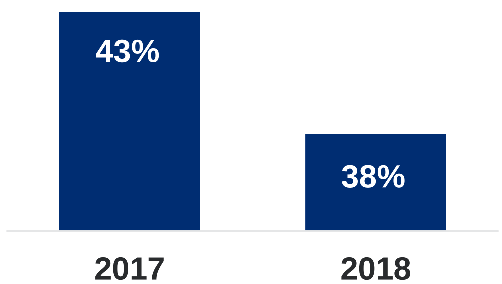
F&G Portfolio Reposition Update

Funding structured and alternatives allocations from investment grade corporates:

- ► Additive to net book yield on ~$24B portfolio
- ► Duration gap well within targeted +/- one year while maintaining high average quality

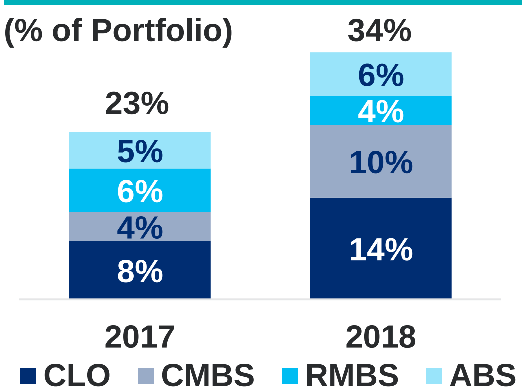
IG Corporates

(% of Portfolio)



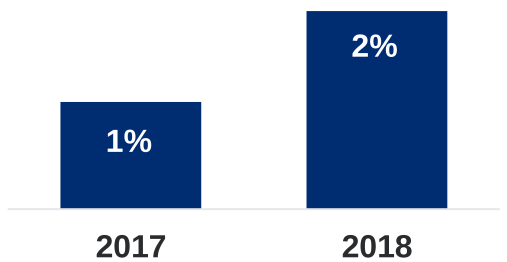
Structured

(% of Portfolio)

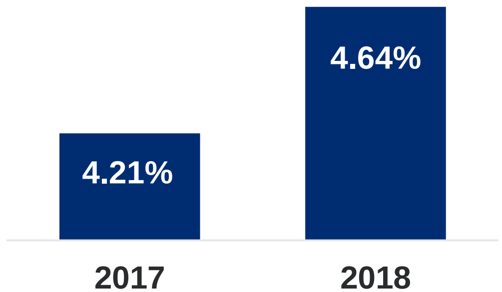


Alternatives (Funded)

(% of Portfolio)

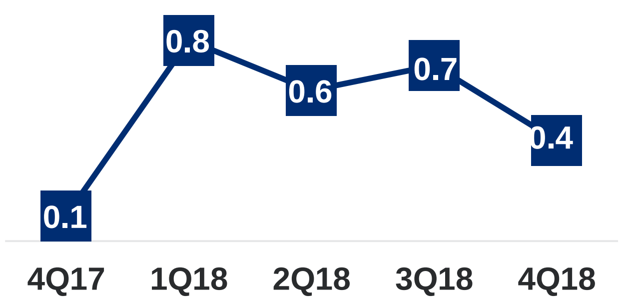


Net Book Yield

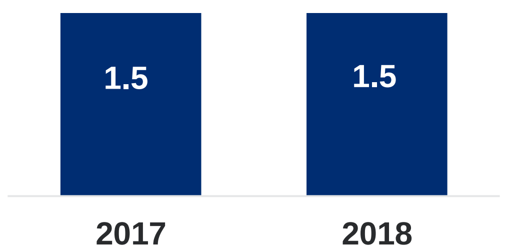


Asset/Liability Duration Gap

(Years)



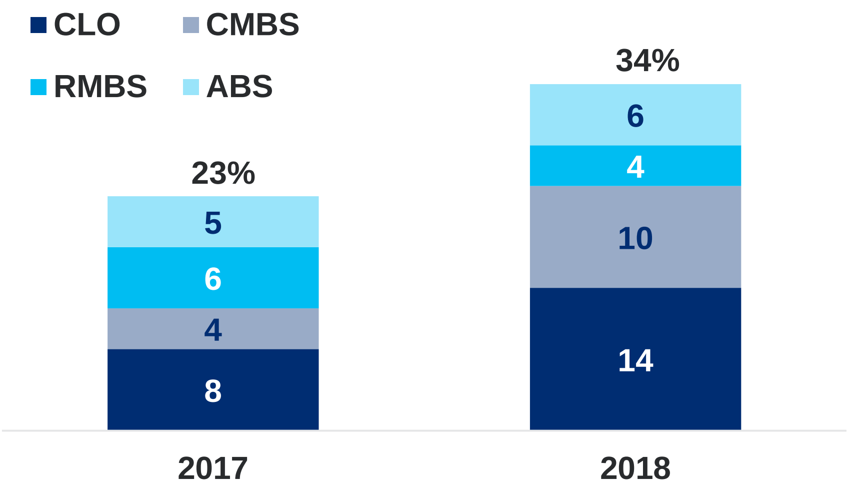
NAIC Rating



F&G Portfolio Positioning: Structured Assets Update

Summary statistics	12/31/2018
GAAP Book Value (B)	$8.6
Net book yield	4.87%
Duration (years)	3.2
NAIC rating (weighted average)	1.3

Structured Asset Portfolio (% of fixed income portfolio)

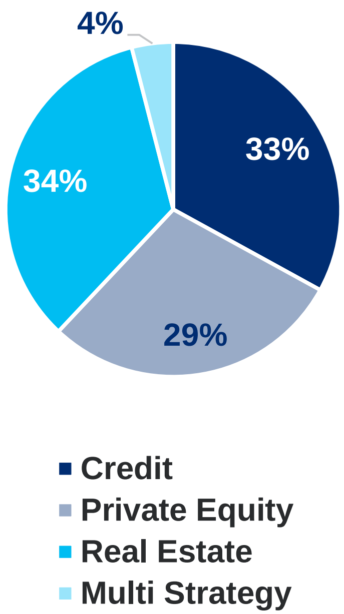


- Allocation to structured assets leverages Blackstone's sourcing & underwriting capabilities across CLO, CMBS, RMBS and private credit
- Phase 2 repositioning reduced dependence on fixed rate corporate credit in favor of floating rate structured assets; higher purchase yields reflect premium due to structure and liquidity
- Credit market choppiness in 4Q18 afforded attractive buying opportunities across all structured assets

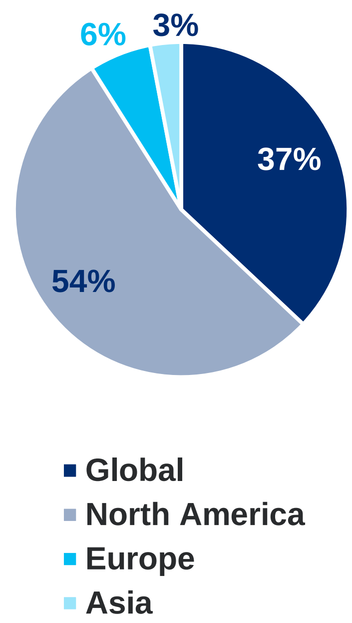
F&G Alternatives: Building a Well-Diversified Portfolio

- ► Leveraging Blackstone's industry-leading capabilities to expand alternatives
- ► Commitments are diversified by collateral, geography and vintage
- ► Through YE 2018: $1.7B committed, of which ~30% funded / 2% of total portfolio; target 12% lifetime return

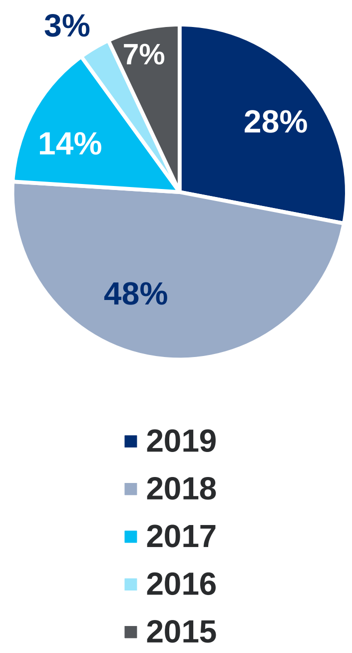
Collateral



Geography



Vintage



Portfolio Management: Looking Ahead

- Focused on protecting the downside
  - Opportunistic rotation out of BBB- corporate bonds with ratings downgrade potential to maximize capital efficiency, targeting $0.5B+ by end of 1Q19
  - Continue to allocate to privately sourced, IG-rated structured assets that have been underwritten to conservative baseline assumptions and demonstrate enhanced covenant protection

- Preserve portfolio's flexibility to capitalize on market dislocation
  - **ALM Profile** well-matched assets vs. liabilities and large floating rate exposure provide flexibility as rate environment changes
  - **Liquidity Profile** deep knowledge of liability profile informs our decision to underwrite complexity in structured assets
  - **Capital Flexibility** target RBC ratio at 450% or better to keep "powder dry" as credit cycle matures

Appendix

Reconciliation of GAAP Net Income (Loss) to AOI

As Publicly Reported - Quarter Ended 12/31

($M)

Net income (loss)	**($148)**
Dividends on preferred stock	(8)
Net income (loss) available to common shareholders	**($156)**
Effect of investment losses (gains), net of offsets	174
Impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impacts of assumed reinsurance by our international subsidiaries	77
Effect of integration, merger related & other non-operating items	25
Tax effect of affiliated reinsurance embedded derivative	(15)
Tax impact of adjusting items	(29)
Adjusted operating income available to common shareholders	**$76**

- **GAAP net loss available to common shareholders of ($156M) / ($0.70) per share**
- GAAP results for 4Q included net unfavorable items from equity market and liability-driven market movement, including the following—**all of which are excluded from AOI** (amounts shown are net of intangibles amortization and taxes):
  - ($77M) FIA embedded derivative market movements and fair value effects related to international subsidiaries,
  - ($72M) net **unrealized** losses driven by market value changes on preferred equity securities,
  - ($52M) net **realized** losses on planned portfolio reposition strategy,
  - ($31M) other market & non-operating items,
  - ($15M) credit-related impairment losses; partially offset by
  - $15 million reversal of prior period benefit from tax election excluded from AOI in 1Q

Consolidated Balance Sheets

FGL Holdings Consolidated Balance Sheets

(In millions)	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
ASSETS		
Investments:		
Fixed maturity securities, available-for-sale, at fair value (amortized cost: December 31, 2018 - $22,219; December 31, 2017 - $20,847)	$ 21,109	$ 20,963
Equity securities, at fair value (cost: December 31, 2018 - $1,526; December 31, 2017 - $1,392)	1,382	1,388
Derivative investments	97	492
Short term investments	—	25
Mortgage loans	667	548
Other invested assets	662	188
Total investments	23,917	23,604
Cash and cash equivalents	571	1,215
Accrued investment income	216	211
Funds withheld for reinsurance receivables, at fair value	757	756
Reinsurance recoverable	3,190	2,494
Intangibles, net	1,359	853
Deferred tax assets, net	343	182
Goodwill	467	467
Other assets	125	141
Total assets	$ 30,945	$ 29,923

Consolidated Balance Sheets

FGL Holdings Consolidated Balance Sheets

(In millions)	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
LIABILITIES AND SHAREHOLDERS' EQUITY		
Contractholder funds (a)	$ 23,387	$ 21,827
Future policy benefits, including $725 and $728 at fair value at December 31, 2018 and December 31, 2017, respectively (b)	4,641	4,751
Funds withheld for reinsurance liabilities	722	2
Liability for policy and contract claims (c)	64	78
Debt	541	307
Revolving credit facility	—	105
Other liabilities	700	890
Total liabilities	30,055	27,960
Shareholders' equity:		
Preferred stock ($.0001 par value, 100,000,000 shares authorized, 399,033 and 375,000 shares issued and outstanding at December 31, 2018 and December 31, 2017, respectively)	—	—
Common stock ($.0001 par value, 800,000,000 shares authorized, 221,660,974 and 214,370,000 issued and outstanding at December 31, 2018 and December 31, 2017, respectively	—	—
Additional paid-in capital	1,998	2,037
Retained earnings (Accumulated deficit)	(167)	(149)
Accumulated other comprehensive income (loss)	(937)	75
Treasury stock, at cost (600,000 shares at December 31, 2018; no shares at December 31, 2017)	(4)	—
Total shareholders' equity	890	1,963
Total liabilities and shareholders' equity	$ 30,945	$ 29,923

(1) Refer to "Non-GAAP Financial Measures" for further details.

(a) Contractholder funds include amounts on deposit for annuity and universal life contracts plus the fair value of future index credits and guarantees on our FIA and IUL products.

(b) Future policy benefits include the present value of future benefits on our traditional life insurance products, life contingent SPIA contracts, long-term care block and offshore reinsurance annuity products.

(c) Liability for policy and contract claims represents policyholder pending claims.

Consolidated Statements of Operations

FGL Holdings Consolidated Statement of Operations

(In millions, except per share data)	Period from October 1 to December 31, 2018	Period from December 1 to December 31, 2017	Period from October 1 to November 30, 2017	Year Ended December 31, 2018	Year Ended September 30, 2017
			Predecessor		Predecessor
	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
Revenues:					
Premiums	$ 9	$ 3	$ 7	$ 54	$ 42
Net investment income	295	92	174	1,107	1,005
Net investment gains (losses)	(555)	42	146	(629)	316
Insurance and investment product fees and other	40	28	35	179	167
Total revenues	(211)	165	362	711	1,530
Benefits and expenses:					
Benefits and other changes in policy reserves	(52)	124	227	423	843
Acquisition and operating expenses, net of deferrals	55	16	51	181	137
Amortization of intangibles	(23)	4	36	49	193
Total benefits and expenses	(20)	144	314	653	1,173
Operating income	(191)	21	48	58	357
Interest expense	(8)	(2)	(4)	(29)	(24)
Income (loss) before income taxes	(199)	19	44	29	333
Income tax expense	51	(110)	(16)	(16)	(110)
Net income (loss)	$ (148)	$ (91)	$ 28	$ 13	$ 223
Less preferred stock dividend	8	2	—	29	—
Net income (loss) available to common shareholders	$ (156)	$ (93)	$ 28	$ (16)	$ 223
Net income (loss) per common share:					
Basic	$ (0.70)	$ (0.44)	$ 0.48	$ (0.07)	$ 3.83
Diluted	$ (0.70)	$ (0.44)	$ 0.47	$ (0.07)	$ 3.83
Weighted average common shares used in computing net income per common share:					
Basic	220.9	214.4	58.3	216.0	58.3
Diluted	220.9	214.4	58.5	216.0	58.4
Cash dividend per common share	$ —	$ —	$ 0.07	$ —	$ 0.26

Non-GAAP Measures and Definitions

While management believes that non-GAAP measurements are useful supplemental information, such adjusted results are not intended to replace GAAP financial results and should be read in conjunction with those GAAP results.

Non-GAAP Measures:

- **Adjusted operating income** (AOI) is a non-GAAP economic measure we use to evaluate financial performance each period. AOI is calculated by adjusting net income (loss) to eliminate (i) the impact of net investment gains/losses, including other than temporary impairment ("OTTI") losses recognized in operations, but excluding gains and losses on derivatives hedging our indexed annuity policies, (ii) the impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting election on the liabilities assumed and corresponding assets for reinsurance assumed by our international subsidiaries, (iii) the tax effect of affiliated reinsurance embedded derivative, (iv) the effect of change in fair value of the reinsurance related embedded derivative, (v) the effect of integration, merger related & other non-operating items, (vi) impact of extinguishment of debt, and (vii) net impact from Tax Cuts and Jobs Act. Adjustments to AOI are net of the corresponding impact on amortization of intangibles, as appropriate. The income tax impact related to these adjustments is measured using an effective tax rate of 21%, as appropriate. While these adjustments are an integral part of the overall performance of the Company, market conditions and/or the non-operating nature of these items can overshadow the underlying performance of the core business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations. Beginning with the quarter ended March 31, 2018, the Company updated its AOI definition to remove the residual impacts of fair value accounting on its FIA products, including gains and losses on derivatives hedging those policies. Management believes the revised measure enhances the understanding of the business post-merger and is more useful and relevant to investors as compared to the previous definition which eliminated only the effects of changes in the interest rates used to discount the FIA embedded derivative. Periods shown prior to March 31, 2018 have not been adjusted to reflect the new definition. Beginning with the quarter ended December 31, 2018, the Company updated its AOI definition to remove the incremental change due to the impact of the fair value accounting election for international subsidiaries. Management believes this revision will enhance the understanding of our business as the Company executes its growth strategy through international third party assumed business and is more relevant to investors as the impact of fair value accounting election can create an increases/decreases in the assumed liabilities that does not match the increase/decrease of the corresponding assets. This change will be applied on a prospective basis as the Company executes its growth strategy through international third party assumed reinsurance.
- **AOI available to common shareholders** is a non-GAAP economic measure we use to evaluate financial performance attributable to our common shareholders each period. AOI available to common shareholders is calculated by adjusting net income (loss) available to common shareholders to eliminate the items as described in the AOI paragraph above. While these adjustments are an integral part of the overall performance of the Company, market conditions impacting these items can overshadow the underlying performance of the business. Accordingly, Management considers this to be a useful measure internally and to investors and analysts in analyzing the trends of our operations. Our non-GAAP measures may not be comparable to similarly titled measures of other organizations because other organizations may not calculate such non-GAAP measures in the same manner as we do.
- **Average assets under management** (AAUM) is the sum of (i) total invested assets at amortized cost, excluding derivatives; (ii) related party loans and investments; (iii) accrued investment income; (iv) funds withheld at fair value; (v) the net payable/receivable for the purchase/sale of investments and (iv) cash and cash equivalents, excluding derivative collateral, at the beginning of the period and the end of each month in the period, divided by the total number of months in the period plus one. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the rate of return on assets available for reinvestment.
- **Yield on AAUM** is calculated by dividing annualized net investment income by AAUM. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return earned on AAUM.
- **Net investment spread** is the excess of net investment income earned over the sum of interest credited to policyholders and the cost of hedging our risk on FIA policies. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the performance of the Company’s invested assets against the level of investment return provided to policyholders, inclusive of hedging costs.

Non-GAAP Measures and Definitions—Continued

Non-GAAP Measures (continued):

- **Investment book yield** on bonds purchased during the period excludes yield on short-term treasuries and cash and cash equivalents. The Predecessor considered this non-GAAP financial measure to be useful internally and to investors and analysts when assessing the level of return on their income generating invested assets.
- **Sales** are not derived from any specific GAAP income statement accounts or line items and should not be viewed as a substitute for any financial measure determined in accordance with GAAP. Annuity and IUL sales are recorded as deposit liabilities (i.e. contract holder funds) within the Company's unaudited condensed consolidated financial statements in accordance with GAAP. Management believes that presentation of sales as measured for management purposes, enhances the understanding of our business and helps depict longer term trends that may not be apparent in the results of operations due to the timing of sales and revenue recognition.
- **Common shareholders' equity** is based on Total Shareholders' Equity excluding Equity Available to Preferred Shareholders. Management considers this to be a useful measure internally and to investors to assess the level of equity that is attributable common stock holders.
- **Common shareholders' equity excluding AOCI** is based on Common Shareholders Equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of earned equity on common equity.
- **Adjusted operating return on common shareholders' equity excluding AOCI** is a non-GAAP financial measure. It is calculated by dividing AOI Available to Common Shareholders' by total average Common Shareholders' Equity Excluding AOCI. Average Common Shareholders' Equity Excluding AOCI for the twelve months rolling, is the average of 5 points throughout the period and for the quarterly average Common Shareholders Equity is calculated using the beginning and ending Common Shareholders Equity, Excluding AOCI, for the period. For periods less than a full fiscal year, amounts disclosed in the table are annualized. As a result of the merger, the starting point for calculation of average Common Shareholders' Equity was reset to December 1, 2017. The rolling average will be updated from the merger date forward to use available historical data points for the successor until 5 historical data points are available. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts assessing the level of adjusted earned return on common equity.
- **Book value per common share including and excluding AOCI** is calculated as Common Shareholders' Equity and Common Shareholders Equity Excluding AOCI divided by the total number of shares of common stock outstanding. Management considers this to be a useful measure internally and for investors and analysts to assess the capital position of the Company.
- **Total capitalization excluding AOCI** is based on shareholders' equity excluding the effect of AOCI. Since AOCI fluctuates from quarter to quarter due to unrealized changes in the fair value of available for sale investments, Management considers this non-GAAP financial measure to provide useful supplemental information internally and to investors and analysts to help assess the capital position of the Company.
- **Debt-to-capital** ratio is computed by dividing total debt by total capitalization excluding AOCI. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing its capital position.
- **Rating agency adjusted debt to capitalization, excluding AOCI** is computed by dividing the sum of total debt and 50% Equity Available to Preferred Shareholders by total capitalization excluding AOCI less a 50% credit for Equity Available to Preferred Shareholders. Management considers this non-GAAP financial measure to be useful internally and to investors and analysts when assessing its capital position.
- **Equity available to preferred shareholders** is equal to the product of (a) the number of preferred shares outstanding plus share dividends declared but not yet issued and (b) the original liquidation preference amount per share. Management considers this non-GAAP measure to provide useful information internally and to investors and analysts to assess the level of equity that is attributable to preferred stock holders.

Non-GAAP Measure Reconciliations

Reconciliation from Net Income (Loss) to Adjusted Operating Income (AOI)

	Three months ended				One month ended	Two months ended	Year ended	
	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	November 30, 2017	December 31, 2018	December 31, 2017
						Predecessor		
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Dollars in millions, except per share data)							
Net income (loss)	$ (148)	$ 56	$ 40	$ 65	$ (91)	$ 28	$ 13	$ 52
Adjustments to arrive at AOI:								
Effect of investment losses (gains), net of offsets (a)	174	38	37	39	—	(6)	288	8
Impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impacts of assumed reinsurance by our international subsidiaries (a) (b)	77	(30)	(9)	(63)	(8)	(10)	(25)	(21)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a) (c)	—	—	—	—	—	(1)	—	20
Effect of integration, merger related & other non-operating items	25	4	3	8	(8)	29	40	30
Effects of extinguishment of debt	—	—	(2)	—	—	—	(2)	—
Tax effect of affiliated reinsurance embedded derivative	(15)	—	—	15	(20)	—	—	(20)
Net impact of Tax Cuts and Jobs Act (d)	—	3	—	—	131	—	3	131
Tax impact of adjusting items	(29)	(2)	(4)	4	(1)	(4)	(31)	(16)
AOI	$ 84	$ 69	$ 65	$ 68	$ 3	$ 36	$ 286	$ 184
Dividends on preferred stock	(8)	(7)	(7)	(7)	(2)	—	(29)	(2)
AOI available to common shareholders	$ 76	$ 62	$ 58	$ 61	$ 1	$ 36	$ 257	$ 182
Per diluted common share:								
Net income (loss) available to common shareholders	$ (0.70)	$ 0.23	$ 0.15	$ 0.27	$ (0.44)	$ 0.47	$ (0.07)	$ 0.23
Adjustments to arrive at AOI:								
Effect of investment (gains) losses, net of offsets (a)	0.78	0.18	0.17	0.18	—	(0.10)	1.33	0.04
Impacts related to changes in the fair values of FIA related derivatives and embedded derivatives, net of hedging cost, and the fair value accounting impacts of assumed reinsurance by our international subsidiaries (a) (b)	0.35	(0.14)	(0.04)	(0.29)	(0.04)	(0.17)	(0.12)	(0.10)
Effect of change in fair value of reinsurance related embedded derivative, net of offsets (a) (c)	—	—	—	—	—	(0.02)	—	0.09
Effect of integration, merger related & other non-operating items	0.11	0.02	0.01	0.04	(0.04)	0.50	0.19	0.14
Effects of extinguishment of debt	—	—	(0.01)	—	—	—	(0.01)	—
Tax effect of affiliated reinsurance embedded derivative	(0.07)	—	—	0.07	(0.09)	—	—	(0.09)
Net impact of Tax Cuts and Jobs Act (d)	—	0.01	—	—	0.61	—	0.01	0.61
Tax impact of adjusting items	(0.13)	(0.01)	(0.01)	0.01	—	(0.06)	(0.15)	(0.07)
AOI available to common shareholders per diluted share	$ 0.34	$ 0.29	$ 0.27	$ 0.28	$ —	$ 0.62	$ 1.19	$ 0.85

(a) Amounts are net of offsets related to value of business acquired ("VOBA"), deferred acquisition cost ("DAC"), deferred sale inducement ("DSI"), unearned revenue ("UREV") amortization and cost of reinsurance intangible, as applicable.

(b) The updated definition removes the impact of fair value accounting on FIA products for periods after December 31, 2017 and the fair value impacts of assumed reinsurance by our international subsidiaries for periods after September 30, 2018. Included in the one-month period ended December 31, 2017 is the impact of the immaterial error resulting from the model code error, net of VOBA amortization, as disclosed within the Company's Form 10-K.

(c) Adjustment not applicable for periods from December 31, 2017 through September 30, 2018, subsequent to the Business Combination as the affiliated reinsurance agreement and related activity are eliminated via consolidation for U.S. GAAP reporting.

(d) The Company recorded an immaterial out of period adjustment related to the December 1, 2017 fair value of the deferred income tax valuation allowance acquired from the Business Combination. See "Note 2. Significant Accounting Policies and Practices" of the Company's Form 10-K for additional information.

Non-GAAP Measure Reconciliations

Reconciliation of Book Value Per Common Share Excluding AOCI (Unaudited)

(In millions, except per share data)	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
Reconciliation to total shareholders' equity:		
Total shareholders' equity	$ 890	$ 1,963
Less: AOCI	(937)	75
Less: Preferred equity	406	377
Total common shareholders' equity excluding AOCI [1]	$ 1,421	$ 1,511
Total common shares outstanding	221.1	214.4
Weighted average common shares outstanding - basic [6]	220.9	214.4
Weighted average common shares outstanding - diluted [6]	220.9	214.4
Book value per common share including AOCI [1]	$ 2.19	$ 7.40
Book value per common share excluding AOCI[1]	$ 6.43	$ 7.05

Rollforward of Assets Under Management (AAUM) (Unaudited)

(In billions)	AAUM
AAUM as of December 31, 2017	$ 24.7
Net new business asset flows	1.1
PGAAP amortization	(0.4)
Net proceeds of senior note issuance / paydown	0.2
AAUM as of December 31, 2018	$ 25.6